GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR
LOK SABHA

UNSTARRED QUESTION NO:4057
ANSWERED ON:19.04.2000
SICK SMALL SCALE INDUSTRY UNITS
ARUN KUMAR;NAWAL KISHORE RAI

Will the Minister of SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR be pleased to state:

(a) whether the small scale industrial units in the country are increasingly becoming sick;

(b) if so, the number of sick small scale industrial units in March 1997, 1998 and 1999;

(c) the total number of units functioning during the above mentioned period;

(d) the total number of employees working in these units;

(e) whether the Government have identified the reasons for these units being sick, if so, extent of the sickness in terms of percentage and the reasons therefor on an average; and

(f) the remedial measures taken by the Government?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGF RURAL INDUSTRIES (SMT. VASUNDHARA RAJE)

(a) & (b): As per the data compiled by the Reserve Bank of India (RBI) from the Scheduled Commercial Banks, the total number of sick Small Scale Industrial (SSI) Units in March 1997, 1998 and 1999 are as under:-

As at the end of	Total number of Sick SSI Units
March, 1997	2,35,032
March, 1998	2,21,536
March, 1999	3,06,221 (P)

(P) - Provisional

(c) & (d): The total number of units functioning and number of employees working therein during 1996-97, 1997-98 and 1998-99 are as under:-

Year	Number of Units (lakh numbers)	Employment (lakh numbers)
1996-97	28.57	160.00
1997-98	30.14	167.20
1998-99 (P)	31.21	171.58 (Pj)

(P) - Provisional;
(Pj) - Projected.

(e) & (f): Incidence of sickness in the SSI sector is due to various factors such as inadequacy of credit, marketing problems, managerial inadequacies, etc. The extent of sickness in terms of percentage to total SSI units as on 31st March, 1999 (Provisional) works out to 9.8%. The Government is fully seized of the incidence of industrial sickness amongst SSI units and has taken various measures to facilitate timely identification and rehabilitation of potentially viable sick industries, which inter-alia, includes institutional

mechanism in the form of State Level Inter-Institutional Committee, special rehabilitation cells in banks and State Financial Institutions and, elaborate guidelines issued by RBI for extending rehabilitation assistance to eligible units.